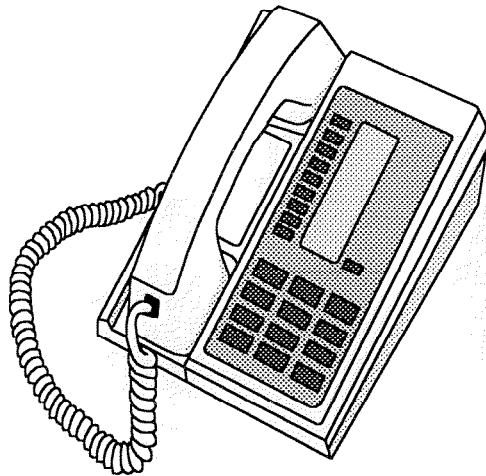


YEAR 2000

ANNUAL REPORT  
OF  
**Ronan Telephone System**

TELEPHONE UTILITY



TO THE  
PUBLIC SERVICE COMMISSION  
STATE OF MONTANA  
1701 PROSPECT AVENUE  
P.O. BOX 202601  
HELENA, MT 59620-2601

PUBLIC SERVICE  
COMMISSION

7001 MAY -7 AM 10:44

RECEIVED BY

# Telephone Annual Report

## Table of Contents

Description	Schedule	Page
Instructions		i - vi
General Information	1	1
Officers	2	2
Total Company Balance Sheet	3	3
Total Company Income Statement	4	5
Total State Income Statement	5	6
Intrastate Income Statement	6	7
Intrastate Regulated Income Statement	7	8
Average Rate Base	8	9
Statement of Cash Flows	9	10
Receivables and Investment	10	11
Net Plant in Service	11	12
Plant Held for Future Use	12	13
Average Cost of Long Term Debt	13	14
Cost of Preferred Stock	14	15
Analysis of Common Stock	15	16
Capital Stock and Reacquired Debt	16	17
Total Company Expense Matrix	17	18
Total State Expense Matrix	18	20
Pension Costs	19	22

continued on next page

<b>Description</b>	<b>Schedule</b>	<b>Page</b>
Other Post Employment Benefits (OPEBs)	20	23
Payments for Services	21	25
Subscriber Line Usage Data	22	26
Central Office and Access Line Statistics	23	27
Central Office and Switch Information	24	28
Construction Budget	25	29
Montana Employee Counts	26	30
Compensation of Top 10 Montana Based Employees	27	31
Compensation of Top 5 Corporate Employees	28	32
Montana Composite Statistics	29	33
Depreciation	30	34
Montana Regulatory Capital Structure and Costs	31	35
Network Access - Charges and Revenues	32	35
Affiliated Transactions - To the Utility	33	36
Affiliated Transactions - By the Utility	34	37
Montana Earned Rate of Return	35	38
Other Taxes Paid	36	39
Universal Service Funds Received	37	39

# Telephone Annual Report

## Instructions

### General

1. A Microsoft EXCEL 97 workbook of the annual report is being provided on computer disk for your convenience. The workbook contains the schedules of the annual report. Each schedule is on the worksheet named that schedule. For example, Schedule 1 is on the sheet titled "Schedule 1". By entering your company name in the cell named "Company" of the first worksheet, the spreadsheet will put your company name on all the worksheets in the workbook. The same is true for inputting the year of the report in the cell named "YEAR". You can "GOTO" the proper cell by using the F5 key and selecting the name of the cell.
2. The workbook contains input sections that are unprotected, and non-input sections that are protected. Cell protection can be disabled or enabled through "TOOLS – PROTECTION – UNPROTECT SHEET" on your toolbar. Formulas and checks are built into most of the templates.
3. Use of the disk is optional. The disk and the report cover shall be returned when the report is filed. There are macros built into the workbook to assist you with the report. An explanation of the macros is on the "Control" worksheet at the front of the workbook. The explanations start at cell A1.
4. All forms must be filled out in permanent ink and be legible. Note: Even if the computer disk is used, a printed version of the report shall be filed. The orientation and margins are set up on each individual worksheet and should print on one page. If you elect not to use the disk, please format your reports to fit on one 8.5" by 11" page with the left binding edge (top if landscaped) set at .85", the right edge (bottom if landscaped) set at .4", and the remaining two margins at .5". You may select specific schedules to print – See the worksheet "CONTROL".
5. Unless otherwise indicated, all information required in these schedules shall be from the accounts prescribed in 47 C.F.R. Part 32 and the definitions and instructions therein will apply to this report wherever applicable.
6. Information on financial schedules may be rounded to thousands of dollars for companies with over 5,000 access lines. Companies submitting schedules rounded to thousands should so indicate at the top of the schedule.
7. Where more space is needed or more than one schedule is needed additional schedules may be attached and should be included directly behind the original schedule to which it pertains and be labeled accordingly (for example, Schedule 1A).
8. The information required with respect to any statement shall be furnished as a minimum requirement to which shall be added such further information as is necessary to make the required schedules not misleading.

9. The following schedules should be filled out with information on a total company basis:

Schedules 1 - 4  
Schedule 10  
Schedules 13 - 17  
Schedule 19  
Schedule 20, Page 1 of 2  
Schedules 33 and 34

All other schedules should be filled out with Montana specific data. Financial schedules should include all amounts originating in Montana or allocated to Montana from other jurisdictions.

10. All companies owned by another company shall attach a corporate structure chart of the holding company.
11. The following schedules are not required to be filled out or submitted by companies with less than 5,000 access lines:
- Schedule 6  
Schedules 17 and 18  
Schedule 21
12. Schedules that have no activity during the year or are not applicable to the respondent should be marked as not applicable and submitted with the report.
13. Companies with under 5,000 lines may use summary accounts and should leave lines for subaccounts blank. Summary accounts are noted with an asterisk and subaccounts that are not required are noted with a caret.
14. Companies with over 5,000 lines must complete schedules to all required subaccount detail.
15. FCC Form M sheets may not be substituted in lieu of completing annual report schedules.
16. Common sense must be used when filling out all schedules.

### **Specific Instructions**

#### **Schedules 3 through 9**

1. **Schedules 3, 4, and 9** should include all notes to the financial statements required by the FCC or included in the financial statements issued as audited financial statements. These notes should be included in the report directly behind the schedules and should be labeled appropriately (Schedule 3A, etc.).
2. **Schedule 5** may be omitted for companies doing business only in Montana.
3. **Schedule 6** is not required for companies with under 5,000 lines.

4. **Schedule 7** must be completed by all companies. For companies under 5,000 lines, this schedule may be completed on a total state basis. Any such company completing the form on a total state basis shall indicate this fact clearly on the form.
5. **Schedule 8** - Companies with less than 5,000 lines are not required to fill out the intrastate portion. The regulated rate base must be separated from the deregulated rate base but this may be done on a total state basis. Any company so doing shall clearly indicate this on the form.
6. Only accounts designated on **Schedule 8** may be included in rate base. Only companies who have specifically been authorized in a Commission order to include cash working capital in rate base may fill out line 8 on Schedule 8. Cash working capital must be calculated using the methodology approved in the Commission order. The most recent Commission Order, and Docket, specifying cash working capital shall be noted on the schedule.
7. **Schedule 9** - Instructions to complete are similar to those used for the Statement of Cash Flows in the FCC Form M.

#### **Schedule 10**

1. For the purpose of this schedule, nonofficial companies shall include any company in which the respondent has an ownership interest which does not meet the definition of an affiliated company set out in 47 C.F.R. Section 32.9000. This schedule shall not include telecommunications accounts receivable from other customers.

#### **Schedule 11**

1. All amounts listed in Column f that represent individual items for which the higher of cost or market value was in excess of \$50,000 for companies with under 5,000 lines and in excess of \$100,000 for companies with over 5,000 lines must be fully explained in notes to this schedule. The explanation must include the plant description and location, the original cost, the net book cost, the market value, the value at which it was transferred or the price at which it was sold, and the party to which it was transferred or sold.

#### **Schedule 12**

1. Respondents shall list each item amounting individually to \$100,000 or more and report all others in the aggregate.
2. Amounts in Column f relating to individual items exceeding \$50,000 shall be fully explained.

#### **Schedule 15**

1. Line 1 must be completed by all companies for the most recent calendar year. The retention and price/earnings ratios shall be calculated on a year end basis. Enter the actual year end market price in the "Year Ended" row. If the computer disk is used, enter the year end market price in the "High" column.
2. Lines starting at 9 shall be completed for each of the twelve months of the report year for all companies with over 5,000 access lines. Earnings per share and dividends per share shall be reported on a quarterly basis and entries shall be made only to the months that end the respective quarters (for example, March, June, September, and December.)

**Schedule 19**

1. All companies are required to submit this form. Companies with more than one plan (for example, both a retirement plan and a deferred savings plan) shall complete a schedule for each plan.
2. Companies with defined benefit plans must complete the entire form using FASB 87 and 132 guidelines.
3. Interest rate percentages shall be listed to two decimal places.

**Schedule 20**

1. All changes to the employee benefit plans shall be explained in a narrative on lines 15 and 16. All cost containment measures implemented in the reporting year shall be explained and quantified in a narrative on lines 15 & 16. All assumptions used in quantifying cost containment results shall be disclosed.
2. The schedule shall be filled out using FASB 106 and 132 guidelines.

**Schedule 21**

1. Respondents shall disclose all payments made during the year where the aggregate payment to the recipient was \$25,000 or more. Payments must include fees, retainers, commissions, gifts, contributions, assessments, bonuses, subscriptions, allowances for expenses or any other form of payment for services or as a donation.

**Schedule 23**

1. Respondents shall provide an attached sheet detailing the type and corresponding number of access lines for all entries in Column L (Other).

**Schedule 24**

1. Column (b). For each wire center that has a configuration of "Remote", Column (b) shall also reflect the respective "Host".
2. Column (c). Examples of Types of Switches are: Digital, Step by Step, and Crossbar.

**Schedule 25**

1. This schedule must be completed by all companies for the year following the reporting year.

**Schedule 26**

1. Respondents shall either report construction technicians and splicers as separate categories or footnote the appropriate categories and indicate the number of (1) construction technicians; and (2) splicers.

### **Schedule 27**

1. Include in column (d) ALL additional forms of compensation, including, but not limited to: deferred compensation, deferred savings plan, profit sharing, supplemental or non-qualified retirement plan, employee stock ownership plan, restricted stock, stock options, stock appreciation rights, performance share awards, dividend equivalent shares, mortgage payments, use of company cars or car lease payments, tax preparation consulting, financial consulting, home security systems, company-paid physicals, subscriptions to periodicals, memberships, association or club dues, tuition reimbursement, employee discounts, and spouse travel.
2. The above compensation items shall be listed separately. Where more space is needed additional schedules may be attached and shall be included directly behind the original schedule to which it pertains.
3. If respondent is claiming protected status of salary information both a proprietary and non-proprietary copy of this schedule shall be filed. On the non-proprietary copy respondent shall indicate which columns respondent maintains are proprietary. A note stating that such information is being provided separately shall be included on the schedule. In no case shall either Column (a) - Name/Position, or Column (g) - Percent Increase Total Compensation, be considered proprietary. Respondent shall provide all requested information on the proprietary copy.

### **Schedule 28**

1. Respondents shall provide all executive compensation information in conformance with that required by the Securities and Exchange Commission (SEC) (Regulation S-K Item 402, Executive Compensation).
2. Include in column (d) ALL additional forms of compensation, including, but not limited to: deferred compensation, deferred savings plan, profit sharing, supplemental or non-qualified retirement plan, employee stock ownership plan, restricted stock, stock options, stock appreciation rights, performance share awards, dividend equivalent shares, mortgage payments, use of company cars or car lease payments, tax preparation consulting, financial consulting, home security systems, company-paid physicals, subscriptions to periodicals, memberships, association or club dues, tuition reimbursement, employee discounts, and spouse travel.
3. All items included in Column (d) - Other Compensation shall be listed separately. Where more space is needed additional schedules may be attached and shall be included directly behind the original schedule.
4. In addition, respondents shall attach a copy of the executive compensation information provided to the SEC.

### **Schedule 29**

1. Information from this schedule is consolidated with information from other Utilities and reported to the National Association of Regulatory Utility Commissioners (NARUC). Your assistance in completing this schedule, even though information may be located in other areas of the annual report, expedites reporting to the NARUC and is appreciated.



**Schedules 33 and 34**

1. Respondents shall report all transactions with affiliated companies.
2. Column (c). Respondents shall indicate in column (c) the method used to determine the price. Respondents shall indicate if a contract is in place between the Affiliate and the Utility. If a contract is in place, respondents shall indicate the year the contract was initiated, the term of the contract and the method used to determine the contract price.
3. Column (c). If the method used to determine the price is different than the previous year, respondents shall provide an explanation, including the reason for the change.

**Schedule 35**

1. Respondents shall provide an attached sheet detailing the account and the amount for all entries made to Lines 9 and 16.
2. Only companies who have specifically been authorized in a Commission Order to include cash working capital in rate base may include cash working capital in lines 9 or 16. Cash working capital must be calculated using the methodology approved in the Commission Order. The Commission Order specifying cash working capital shall be noted on the attached sheet.
3. Respondents shall indicate, for each adjustment on lines 30 through 42, if the amount is updated or if it is from the last rate case. All adjustments shall be calculated using Commission methodology.

**Schedule 36**

1. Respondents shall list the amount of tax accrued or paid for the fiscal year attributable to Montana sources for each of the listed taxes

**Schedule 37**

1. Respondents shall list the amount of Universal Service Funds received from Montana and from the federal government.

## General Information

Year: 2000

1.	Legal Name of Respondent:	Ronan Telephone Company, A Mont. Corp.
2.	Name Under Which Respondent Does Business:	Ronan Telephone Company and RTC
3.	Date of Incorporation:	January 1, 1971
4.	Address to send Correspondence Concerning Report:	Ronan Telephone Company 312 Main St. SW Ronan, MT 59864
5.	Person Responsible for This Report:	Jay Wilson Preston, President
5a.	Telephone Number:	(406) 676-2751
<b>Control Over Respondent</b>		
1.	If direct control over the respondent was held by another entity at the end of year provide the following:	
1a.	Name and address of the controlling organization or person:	
	Not Applicable	
1b.	Means by which control was held:	
1c.	Percent Ownership:	

	Board of Directors		
Line No.	Name of Director and Address (City, State) (a)		Fees Paid During Year (b)
1	John D. French	Ronan, MT	-0-
2	Cynthia M. Preston	Charlo, MT	8,000
3	Dr. Elizabeth A. Preston	Oakland, CA	8,000
4	Elizabeth C. Preston	Ronan, MT	8,000
5	Jay W. Preston	Ronan, MT	-0-
6	Jay Wilson Preston	Charlo, MT	-0-
7	Judith G. Preston	Missoula, MT	-0-
8	Robert F. Erickson	Charlo, MT	-0-
9			
10			
11			
12			
13			
14			
15			
16			
17			
18	Chairman of the Board:		
19	Jay W. Preston	Ronan, MT	-0-
20			

## Officers

Year: 2000

Line No.	Title of Officer (a)	Department Over Which Jurisdiction is Exercised (b)	Name and Address of Person Holding Office at Year End (c)
1	Chairman of Board	Corporate Management	Jay W. Preston
2			Ronan, MT
3	President	General Management	Jay Wilson Preston
4			Charlo, MT
5	Vice President	Commercial	Judith G. Preston
6			Missoula, MT
7	Secretary	Legal	John D. French
8			Ronan, MT
9	Treasurer	Financial	Robert F. Erickson
10			Charlo, MT
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			
26			
27			
28			
29			
30			
31			
32			
33			
34			
35			
36			
37			
38			
39			
40			
41			
42			
43			
44			
45			

**Total Company Balance Sheet**

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		<b>CURRENT ASSETS:</b>		
2	1120	Cash and Equivalents		512,449
3	1180	Telecommunications Accounts Receivable - Net		306,587
4	1190	Other Accounts Receivable - Net		458,643
5	1200	Notes Receivable - Net		-0-
6	1210	Interest and Dividends Receivable		-0-
7	1220	Materials and Supplies		15,483
8	* 1280	Prepayments		-0-
9	^ 1290	Prepaid Rents		-0-
10	^ 1300	Prepaid Taxes		-0-
11	^ 1310	Prepaid Insurance		-0-
12	^ 1320	Prepaid Directory Expenses	Year end financial information	-0-
13	^ 1330	Other Prepayments		-0-
14	1350	Other Current Assets		30,415
15		<b>Total Current Assets</b>		1,323,577
16		<b>NONCURRENT ASSETS:</b>		
17	1401	Investments in Affiliated Companies	not yet available. Information will be provided upon completion.	-0-
18	1402	Investments in Nonaffiliated Companies		-0-
19	1406	Nonregulated Investments		-0-
20	1407	Unamortized Debt Issuance Expense		-0-
21	1408	Sinking Funds		-0-
22	1410	Other Noncurrent Assets-Net Non-Regulated Assets		1,382,599
23	1438	Deferred Maintenance and Retirements		-0-
24	1439	Deferred Charges		-0-
25	1500	Other Jurisdictional Assets - Net		-0-
26		<b>Total Noncurrent Assets</b>		1,382,599
27		<b>PROPERTY, PLANT, &amp; EQUIPMENT:</b>		
28	2001	Telecommunications Plant in Service		7,833,052
29	2002	Property Held for Future Telecommunications Use		-0-
30	2003	Plant Under Construction - Short Term		-0-
31	2004	Plant Under Construction - Long Term		-0-
32	2005	Telecommunications Plant Adjustment		-0-
33	2006	Nonoperating Plant		-0-
34	2007	Goodwill		-0-
35	3100	Accumulated Depreciation		(4,017,917)
36	3200	Accumulated Depreciation - Held for Future Use		-0-
37	3300	Accumulated Depreciation - Nonoperating		-0-
38	3400	Accumulated Amortization		-0-
39		<b>Net Property, Plant, &amp; Equipment</b>		3,815,135
40		<b>TOTAL ASSETS</b>		6,521,311

^ Subaccount of account marked with a \*.

**Total Company Balance Sheet**

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
41		<b>CURRENT LIABILITIES:</b>		
42	4010	Accounts Payable		399,494
43	4020	Notes Payable		-0-
44	4030	Advance Billing and Payments		-0-
45	4040	Customer Deposits		29,950
46	4050	Current Maturities - Long Term Debt		-0-
47	4060	Current Maturities - Capital Leases		-0-
48	4070	Income Taxes - Accrued		149,405
49	4080	Other Taxes - Accrued		36,678
50	4100	Net Current Deferred Operating Income Taxes		-0-
51	4110	Net Current Deferred Nonoperating Income Taxes		-0-
52	4120	Other Accrued Liabilities		277,922
53	4130	Other Current Liabilities		-0-
54		<b>Total Current Liabilities</b>		893,449
55		<b>LONG-TERM DEBT:</b>		
56	4210	Funded Debt	See note on page 3	-0-
57	4220	Premium on Long-Term Debt		-0-
58	4230	Discount on Long-Term Debt		-0-
59	4240	Reacquired Debt		-0-
60	4250	Obligations Under Capital leases		-0-
61	4260	Advances From Affiliated Companies		-0-
62	4270	Other Long-Term Debt		-0-
63		<b>Total Long-Term Debt</b>		-0-
64		<b>OTHER LIABILITIES AND DEFERRED CREDITS:</b>		
65	4310	Other Long-Term Liabilities		-0-
66	4320	Unamort. Oper. Invest. Tax Credits - Net		-0-
67	4330	Unamort. Nonoper. Invest. Tax Credits - Net		-0-
68	4340	Net Noncurrent Deferred Oper. Income Taxes		767,878
69	4350	Net Noncurrent Deferred Nonoper. Income Taxes		-0-
70	4360	Other Deferred Credits		95,155
71	4370	Other Jurisdictional Liab. and Def. Credits		-0-
72		<b>Total Other Liabilities and Deferred Credits</b>		863,033
73		<b>STOCKHOLDERS' EQUITY:</b>		
74	4510	Capital Stock		114,400
75	4520	Additional Paid-In Capital		-0-
76	4530	Treasury Stock		-0-
77	4540	Other Capital		-0-
78	4550	Retained Earnings		4,650,429
79		<b>Total Stockholders' Equity</b>		4,764,829
80		<b>TOTAL LIAB. AND STOCKHOLDERS' EQUITY</b>		6,521,311

## Total Company Income Statement

Year: 2000

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		<b>REVENUES:</b>		
2	5000	Basic Local Service Revenues		792,259
3	5080	Network Access Revenues		3,261,069
4	* 5100	Long Distance Message Revenue		-0-
5	^ 5110	Unidirectional Long Distance Revenue	See note on page 3	-0-
6	^ 5120	Long Distance Private Network Revenue		-0-
7	^ 5160	Other Long Distance Revenue		-0-
8	^ 5169	Other Long Distance Revenue Settlements		-0-
9	* 5200	Miscellaneous Revenue		21,578
10	^ 5230	Directory Revenue		-0-
11	^ 5240	Rent Revenue		-0-
12	^ 5250	Corporate Operations Revenue		-0-
13	^ 5260	Miscellaneous Revenue		-0-
14	^ 5270	Carrier Billing and Collection Revenue		-0-
15	^ 5280	Nonregulated Revenue		-0-
16	5300	Uncollectible Revenue		(20,259)
17		<b>Total Revenues (L.2+L.3+L.4+L.9-L.16)</b>		4,054,647
18		<b>OPERATING EXPENSES:</b>		
19	6110	Network Support Expense		-0-
20	6120	General Support Expense		345,252
21	6210	Central Office Switching Expense		212,387
22	6220	Operator Systems Expense		-0-
23	6230	Central Office Transmission Expense		93,752
24	6310	Information Origination/Termination Expense		1,770
25	* 6410	Cable and Wire Facilities Expense		326,692
26	^ 6431	Aerial Wire Expense		-0-
27	^ 6441	Conduit Systems Expense		-0-
28	6510	Other Property, Plant & Equipment Expense		-0-
29	6530	Network Operations Expense		108,866
30	6540	Access Expense		-0-
31	6560	Depreciation and Amortization Expense		443,688
32	6610	Marketing		17,496
33	6620	Services		622,986
34	6710	Executive and Planning		426,165
35	6720	General and Administrative		425,208
36	6790	Provision for Uncollectible Notes Receivable		-0-
37		<b>Total Operating Expenses (Sum L.19 to L.36-L.26-L.27)</b>		3,024,262
38	7100	Other Operating Income and Expense		-0-
39	7200	Operating Taxes		523,313
40		<b>Net Operating Income (L.17-L.37+L.38-L.39)</b>		507,072
41	7300	Nonoperating Income and Expense		-0-
42	7400	Nonoperating Taxes		-0-
43	7500	Interest and Related Items		-0-
44	7600	Extraordinary Items		-0-
45	7910	Effects of Juris. Ratemaking Diff. - Net		-0-
46	7990	Nonregulated Net <del>Income</del> (Loss)		297
47		<b>NET INCOME (L.40+L.41-L.42-L.43-L.44+L.45-L.46)</b>		507,369

^ Subaccount of the account marked with a \*.

## Montana Total State Income Statement

Year: 2000

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		<b>REVENUES:</b>		
2	5000	Basic Local Service Revenues		
3	5080	Network Access Revenues		
4	* 5100	Long Distance Message Revenue		
5	^ 5110	Unidirectional Long Distance Revenue		
6	^ 5120	Long Distance Private Network Revenue		
7	^ 5160	Other Long Distance Revenue		
8	^ 5169	Other Long Distance Revenue Settlements		
9	* 5200	Miscellaneous Revenue		
10	^ 5230	Directory Revenue		
11	^ 5240	Rent Revenue		
12	^ 5250	Corporate Operations Revenue		
13	^ 5260	Miscellaneous Revenue		
14	^ 5270	Carrier Billing and Collection Revenue		
15	^ 5280	Nonregulated Revenue		
16	5300	Uncollectible Revenue		
17		<b>Total Revenues (L.2+L.3+L.4+L.9-L.16)</b>		
18		<b>OPERATING EXPENSES:</b>		
19	6110	Network Support Expense	NOT REQUIRED PER INSTRUCTIONS	
20	6120	General Support Expense		
21	6210	Central Office Switching Expense		
22	6220	Operator Systems Expense		
23	6230	Central Office Transmission Expense		
24	6310	Information Origination/Termination Expense		
25	* 6410	Cable and Wire Facilities Expense		
26	^ 6431	Aerial Wire Expense		
27	^ 6441	Conduit Systems Expense		
28	6510	Other Property, Plant & Equipment Expense		
29	6530	Network Operations Expense		
30	6540	Access Expense		
31	6560	Depreciation and Amortization Expense		
32	6610	Marketing		
33	6620	Services		
34	6710	Executive and Planning		
35	6720	General and Administrative		
36	6790	Provision for Uncollectible Notes Receivable		
37		<b>Total Operating Expenses (Sum L.19 to L.36-L.26-L.27)</b>		
38	7100	Other Operating Income and Expense		
39	7200	Operating Taxes		
40		<b>Net Operating Income (L.17-L.37+L.38-L.39)</b>		

^ Subaccount of the account marked with a \*.

## Montana Intrastate Income Statement

Year: 2000

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		<b>REVENUES:</b>		
2	5000	Basic Local Service Revenues		
3	5080	Network Access Revenues		
4	* 5100	Long Distance Message Revenue		
5	^ 5110	Unidirectional Long Distance Revenue		
6	^ 5120	Long Distance Private Network Revenue		
7	^ 5160	Other Long Distance Revenue		
8	^ 5169	Other Long Distance Revenue Settlements		
9	* 5200	Miscellaneous Revenue		
10	^ 5230	Directory Revenue		
11	^ 5240	Rent Revenue		
12	^ 5250	Corporate Operations Revenue		
13	^ 5260	Miscellaneous Revenue		
14	^ 5270	Carrier Billing and Collection Revenue		
15	^ 5280	Nonregulated Revenue		
16	5300	Uncollectible Revenue		
17		<b>Total Revenues (L.2+L.3+L.4+L.9-L.16)</b>		
18		<b>OPERATING EXPENSES:</b>		
19	6110	Network Support Expense		
20	6120	General Support Expense	NOT REQUIRED PER INSTRUCTIONS	
21	6210	Central Office Switching Expense		
22	6220	Operator Systems Expense		
23	6230	Central Office Transmission Expense		
24	6310	Information Origination/Termination Expense		
25	* 6410	Cable and Wire Facilities Expense		
26	^ 6431	Aerial Wire Expense		
27	^ 6441	Conduit Systems Expense		
28	6510	Other Property, Plant & Equipment Expense		
29	6530	Network Operations Expense		
30	6540	Access Expense		
31	6560	Depreciation and Amortization Expense		
32	6610	Marketing		
33	6620	Services		
34	6710	Executive and Planning		
35	6720	General and Administrative		
36	6790	Provision for Uncollectible Notes Receivable		
37		<b>Total Operating Expenses (Sum L.19 to L.36-L.26-L.27)</b>		
38	7100	Other Operating Income and Expense		
39	7200	Operating Taxes		
40		<b>Net Operating Income (L.17-L.37+L.38-L.39)</b>		

^ Subaccount of the account marked with a \*.



## Montana Intrastate Regulated Income Statement

Year: 2000

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		<b>REVENUES:</b>		
2	5000	Basic Local Service Revenues		792,259
3	5080	Network Access Revenues		3,261,069
4	* 5100	Long Distance Message Revenue		-0-
5	^ 5110	Unidirectional Long Distance Revenue	See note on page 3	-0-
6	^ 5120	Long Distance Private Network Revenue		-0-
7	^ 5160	Other Long Distance Revenue		-0-
8	^ 5169	Other Long Distance Revenue Settlements		-0-
9	* 5200	Miscellaneous Revenue		21,578
10	^ 5230	Directory Revenue		-0-
11	^ 5240	Rent Revenue		-0-
12	^ 5250	Corporate Operations Revenue		-0-
13	^ 5260	Miscellaneous Revenue		-0-
14	^ 5270	Carrier Billing and Collection Revenue		-0-
15	^ 5280	Nonregulated Revenue		-0-
16	5300	Uncollectible Revenue		(20,259)
17		<b>Total Revenues (L.2+L.3+L.4+L.9-L.16)</b>		4,054,647
18		<b>OPERATING EXPENSES:</b>		
19	6110	Network Support Expense		-0-
20	6120	General Support Expense		345,252
21	6210	Central Office Switching Expense		212,387
22	6220	Operator Systems Expense		-0-
23	6230	Central Office Transmission Expense		93,752
24	6310	Information Origination/Termination Expense		1,770
25	* 6410	Cable and Wire Facilities Expense		326,692
26	^ 6431	Aerial Wire Expense		-0-
27	^ 6441	Conduit Systems Expense		-0-
28	6510	Other Property, Plant & Equipment Expense		-0-
29	6530	Network Operations Expense		108,866
30	6540	Access Expense		-0-
31	6560	Depreciation and Amortization Expense		443,688
32	6610	Marketing		17,496
33	6620	Services		622,986
34	6710	Executive and Planning		426,165
35	6720	General and Administrative		425,208
36	6790	Provision for Uncollectible Notes Receivable		-0-
37		<b>Total Operating Expenses (Sum L.19 to L.36-L.26-L.27)</b>		3,024,262
38	7100	Other Operating Income and Expense		-0-
39	7200	Operating Taxes		523,313
40		<b>Net Operating Income (L.17-L.37+L.38-L.39)</b>		507,072

^ Subaccount of the account marked with a \*.

This schedule is prepared on "Total State Basis" as allowed in instructions.

**Average Rate Base - Total State**

Year: 2000

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1	2001	Telecommunications Plant in Service	See note on page 3	7,833,052
2	3100	Accumulated Depreciation		(4,017,917)
3	2002	Property Held for Future Telecommunications Use		-0-
4	3200	Accumulated Depreciation - 2002		-0-
5	1220	Materials and Supplies		15,483
6	4340	Noncurrent Deferred Operating Income Taxes		(737,463)
7		Pre-1971 Unamortized Investment Tax Credits		-0-
8		Cash Working Capital (if allowed by Commission)		208,885
9		<b>Total Average Rate Base (L.1-L.2+L.3-L.4+L.5-L.6-L.7+L.8)</b>		<b>3,302,040</b>

(1) As allowed in Commission Order No. 4715b, Docket No. 80.4.8.

**Average Rate Base - Intrastate**

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1	2001	Telecommunications Plant in Service		
2	3100	Accumulated Depreciation		
3	2002	Property Held for Future Telecommunications Use		
4	3200	Accumulated Depreciation - 2002		
5	1220	Materials and Supplies		
6	4340	Noncurrent Deferred Operating Income Taxes		
7		Pre-1971 Unamortized Investment Tax Credits		
8		Cash Working Capital (if allowed by Commission)		
9		<b>Total Average Rate Base (L.1-L.2+L.3-L.4+L.5-L.6-L.7+L.8)</b>		

**Average Rate Base - Regulated Intrastate**

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1	2001	Telecommunications Plant in Service		
2	3100	Accumulated Depreciation		
3	2002	Property Held for Future Telecommunications Use		
4	3200	Accumulated Depreciation - 2002		
5	1220	Materials and Supplies		
6	4340	Noncurrent Deferred Operating Income Taxes		
7		Pre-1971 Unamortized Investment Tax Credits		
8		Cash Working Capital (if allowed by Commission)		
9		<b>Total Average Rate Base (L.1-L.2+L.3-L.4+L.5-L.6-L.7+L.8)</b>		

Ronan Telephone Company has less than 5,000 access lines and reports average rate base on a total state basis. Rate base in the schedule above includes only regulated rate base. Deregulated rate base has been separated and is not included in this schedule.

## Statement of Cash Flows

Year: 2000

Line No.	Item Description (a)	Amount (b)	Amount (c)
1	<b>Increase/(decrease) in Cash &amp; Cash Equivalents</b>		
2	<b>Cash Flows from Operating Activities:</b>		
3	Net Income		
4	Reconciliation Adjustments:		
5	Depreciation & Amortization		
6	Provision for Accounts Receivable Losses		
7	Deferred Income Taxes - Net		
8	Unamortized Investment Tax Credits (ITCs) - Net		
9	Allowance for Funds Used During Construction (AFUDC)		
10	Change in Operating Receivables - Net		
11	Change in Materials, Supplies & Inventories - Net		
12	Change in Operating Payables & Accrued Liabilities - Net		
13	Change in Other Assets & Deferred Credits - Net		
14	Change in Other Liabilities & Deferred Credits - Net		
15	Other (explained on back of this page)		
16	Total Adjustments		
17	<b>Net Cash Provided by/(Used in) Operating Activities</b>		
18	<b>Cash Inflows/Outflows From Investing Activities:</b>		
19	Construction/Acquisition of Property, Plant & Equipment (net of		
20	AFUDC & Capital Lease Related Acquisitions)		
21	Proceeds from Disposals of Property, Plant & Equipment		
22	Investments In & Advances to Affiliates		
23	Proceeds from Repayment of Advances		
24	Other Investing Activities (explained on back of this page)		
25	<b>Net Cash Provided by/(Used in) Investing Activities</b>		
26	<b>Cash Flows from Financing Activities:</b>		
27	Net Incr./(Decr.) in Short-Term Debt, Original maturity $\leq$ 3 mo.		
28	Advances from Affiliates		
29	Repayment of Advances from Affiliates		
30	Proceeds from Issuances of Long-Term Debt		
31	Repayment of Long-Term Debt		
32	Payment of Capital Lease Obligations		
33	Proceeds from Issuing Common Stock/Parent Co. Equity Investment		
34	Repurchase of Treasury Shares		
35	Dividends Paid		
36	Other Financing Activities (explained on back of this page)		
37	<b>Net Cash Provided by Financing Activities</b>		
38	<b>Effect of Exchange Rate Changes on Cash</b>		
39	<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>		
40	<b>Cash &amp; Cash Equivalents at Beginning of Period</b>		
41	<b>Cash &amp; Cash Equivalents at End of Period</b>		

Company Name: Ronan Telephone Company

**SCHEDULE 10**

Year: 2000

**Receivables and Investments-Affiliated & Nonaffiliated Companies**

Line No.	Name of Affiliate or Company (a)	Account 1160 Temporary Investments (b)	Account 1180 Telecom. Accounts Receivable (c)	Account 1181 Accts. Rec. Telecom. Allowance (d)	Account 1190 Other Accounts Receivable (e)	Account 1191 Accounts Receivable Allow. - Other (f)	Account 1200 Notes Receivable (g)	Account 1201 Notes Receivable Allowance (h)	Account 1210 Interest and Dividends Receivable (i)	Account 1401 Investments in Affil. Companies (j)	Account 1402 Investments in Nonaffil. Companies (k)
1	Hot Springs Telephone	-0-	3,497	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
2											
3	RTC Answering,	-0-	2,775	-0-	-0-	-0-	-0-	-0-	-0-	141,202	-0-
4	LLC										
5											
6											
7											
8											
9											
10											
11											
12											
13											
14											
15											
16											
17											
18											
19											
20											
21											
22											
23											
24											
25											
26											
27											
28											
29											
30	<b>Totals</b>	-0-	6,272	-0-	-0-	-0-	-0-	-0-	-0-	141,202	-0-

Company Name: Ronan Telephone Company

SCHEDULE 11

Net Plant in Service - Detail

Year: 2000

Line No.	Account (a)	Description (b)	Beginning of Year Balance (c)	Additions (d)	Retirements (e)	Sales & Transfers (f)	End of Year Account 2001 Balance (g)	Year End Accumulated Depreciation (h)	End of Year Net Plant Balance (i)
1	* 2110	Land and Support Assets	1,425,103						
2	^ 2111	Land							
3	^ 2112	Motor Vehicles							
4	^ 2113	Aircraft							
5	^ 2114	Special Purpose Vehicles							
6	^ 2115	Garage Work Equipment			SEE NOTE				
7	^ 2116	Other Work Equipment			ON				
8	^ 2121	Buildings			PAGE 3				
9	^ 2122	Furniture							
10	^ 2123	Office Equipment							
11	^ 2124	General Purpose Computers							
12	2211	Analog Electronic Switching	440,079						
13	2212	Digital Electronic Switching	1,876,052						
14	2215	Electro-Mechanical Switching							
15	2220	Operator Systems							
16	2231	Radio Systems							
17	2232	Circuit Equipment	558,923						
18	* 2310	Information Orig & Term Equip	34,680						
19	^ 2311	Station Apparatus							
20	^ 2321	Customer Premises Wiring							
21	^ 2341	Large Private Branch Exchanges							
22	^ 2351	Public Telephone Term. Equip.							
23	^ 2362	Other Terminal Equipment							
24	2411	Poles	119,850						
25	* 2420	Cable and Wire Facilities	2,715,745						
26	^ 2421	Aerial Cable							
27	^ 2422	Underground Cable							
28	^ 2423	Buried Cable							
29	^ 2424	Submarine Cable							
30	^ 2425	Deep Sea Cable							
31	^ 2426	Intrabuilding Network Cable							
32	2431	Aerial Wire	63,701						
33	2441	Conduit Systems	598,920						
34		Totals	7,833,053						

^ Subaccount of the account marked with a \*.

SCHEDULE 12

Company Name: Ronan Telephone Company

Year 2000

Analysis of Plant Held for Future Use

Line No.	Location and Description of Property (a)	Date Included in Account 2002 (b)	Book Cost of Property at Beginning of Year (c)	Additions During the Year (d)	Retirements During the Year (e)	Transfers and Adjustments Charges and (Credits) (f)	Book Cost of Property at End of Year (g)
1	NOT APPLICABLE - RONAN TELEPHONE COMPANY HOLDS NO PLANT FOR FUTURE USE.						
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
21							
22							
23							
24							
25							
26							
27							
28							
29							
30	Totals (Sum L.1 to L.29)						

Company Name: Ronan Telephone Company

**SCHEDULE 13**

Year: 2000

**Average Cost of Long Term Debt**

Line No.	Description (a)	Issue Date (b)	Maturity Date (c)	Principal Amount (d)	Gross Proceeds (e)	Net Proceeds (f)	Net Per \$100 (g)	Outstanding Per Balance Sheet (h)	Yield to Maturity (i)	Annual Net Cost (j)	Amortization of Premium or Discount (k)	Total Cost (%) (l)
1												
2												
3												
4												
5												
6												
7												
8												
9												
10												
11												
12												
13												
14												
15												
16												
17												
18												
19												
20												
21												
22												
23												
24												
25												
26												
27												
28												
29												
30	<b>Total</b>											

AT YEAR END THERE IS NO OUTSTANDING LONG-TERM DEBT.

**SCHEDULE 14**

**Company Name:** Ronan Telephone Company

**Year:** 2000

**Cost of Preferred Stock**

Line No.	Description (a)	Date of Issuance (b)	Method of Offering (c)	Call Redemption Price (d)	Par Value Of Issue (e)	Gross Proceeds Amounts (f)	Net Proceeds Amounts (g)	Net Proceeds Per \$100 (h)	Cost of Money (i)	Principal Outstanding (j)	Annual Cost (k)	Embedded Cost (l)
1												
2												
3												
4												
5												
6												
7												
8												
9												
10												
11												
12												
13												
14												
15												
16												
17												
18												
19												
20												
21												
22												
23												
24												
25												
26												
27												
28												
29												
30	<b>Totals (Sum L. 1 to L. 29)</b>											



**SCHEDULE 15**

**Company Name:** Ronan Telephone Company

**Year:** 2000

**Analysis of Common Stock**

Line No.	(a)	Avg. Number of Shares Outstanding (b)	Book Value (per share) (c)	Earnings (per share) (d)	Dividends (per share) (e)	Retention Ratio (f)	Market Price High (g) Low (h)	Price/Earnings Ratio (i)
1	Year Ended December 31:	1,143	FINAL YEAR	END INFORMATION NOT YET		AVAILABLE	N/A Not publicly traded	
2								
3								
4								
5								
6								
7								
8	Month by Month Data:							
9	January							
10	February							
11	March							
12	April							
13	May							
14	June							
15	July							
16	August							
17	September							
18	October							
19	November							
20	December							
21								
22								
23								

MONTHLY DATA NOT REQUIRED PER INSTRUCTIONS.

Company Name: Ronan Telephone Company

**SCHEDULE 16**

**Capital Stock and Funded Debt Reacquired or Retired During the Year** Year: 2000

Line No.	Description of Security (a)	Call or Retirement Date (b)	Number of Shares (c)	Principal Amount (d)	Reacquisition or Retirement Cost (e)	Gain or (Loss) (f)	Retirement or Reacquisition (g)
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17	NOT APPLICABLE - RONAN TELEPHONE COMPANY HAS NO ACTIVITY OF THIS NATURE.						
18							
19							
20							
21							
22							
23							
24							
25							
26							
27							
28							
29							
30	<b>Totals (Sum L.1 to L.29)</b>						

Company Name: Ronan Telephone Company

**SCHEDULE 17**

Page 1 of 2

**Year:** 2000

**Total Company Expense Matrix**

Line No.	Acct. No. (a)	Description (b)	Salaries and Wages (c)	Benefits (d)	Rents (e)	Other Expenses (f)	Clearances (g)	Total (h)
1	*	6110 Network Support Expense						
2	^	6112 Motor Vehicle Expense						
3	^	6113 Aircraft Expense						
4	^	6114 Special Purpose Vehicles Expense						
5	^	6115 Garage Work Equipment Expense						
6	^	6116 Other Work Equipment Expense						
7	*	6120 General Support Expense						
8	^	6121 Land and Building Expense						
9	^	6122 Furniture and Artworks Expense						
10	^	6123 Office Equipment Expense						
11	^	6124 General Purpose Computers Expense						
12	*	6210 Central Office Switching Expense						
13	^	6211 Analog Electronic Expense						
14	^	6212 Digital Electronic Expense						
15	^	6215 Electro-Mechanical Expense						
16		6220 Operator Systems Expense						
17	*	6230 Central Office Transmission Expense						
18	^	6231 Radio Systems Expense						
19	^	6232 Circuit Equipment Expense						
20	*	6310 Information Origination/Termination Expense						
21	^	6311 Station Apparatus Expense						
22	^	6341 Large Private Branch Exchange Expense						
23	^	6351 Public Telephone Terminal Equipment Exp.						
24	^	6362 Other Terminal Equipment Expense						
25	*	6410 Cable and Wire Facilities Expense						
26	^	6411 Poles Expense						
27	^	6421 Aerial Cable Expense						
28	^	6422 Underground Cable Expense						
29	^	6423 Buried Cable Expense						
30	^	6424 Submarine Cable Expense						
31	^	6425 Deep Sea Cable Expense						
32	^	6426 Intrabuilding Network Cable Expense						
33	^	6431 Aerial Wire Expense						
34		<b>Subtotals</b>						

NOT REQUIRED PER GENERAL INSTRUCTIONS.

^ Subaccount of the account marked with a \*.

## Total Company Expense Matrix

Line No.	Acct. No. (a)	Description (b)	Salaries and Wages (c)	Benefits (d)	Rents (e)	Other Expenses (f)	Clearances (g)	Total (h)
35	^	6441 Conduit Systems Expense						
36		6510 Other Property Expenses						
37	*	6530 Network Operations Expense						
38	^	6531 Power Expense						
39	^	6532 Network Administration Expense						
40	^	6533 Testing Expense						
41	^	6534 Plant Operations Expense						
42	^	6535 Engineering Expense						
43		6540 Access Expense						
44		6561 Depreciation - Telecomm. Plant in Service						
45		6562 Depreciation-Prop. for Future Telecom. Use						
46		6563 Amortization Expense - Tangible						
47		6564 Amortization Expense - Intangible						
48		6565 Amortization - Other						
49	*	6610 Marketing						
50	^	6611 Product Management						
51	^	6612 Sales						
52	^	6613 Product Advertising						
53		6621 Call Completion Services						
54		6622 Number Services						
55		6623 Customer Services						
56		6711 Executive						
57		6712 Planning						
58		6721 Accounting and Finance						
59		6722 External Relations						
60		6723 Human Relations						
61		6724 Information Management						
62		6725 Legal						
63		6726 Procurement						
64		6727 Research and Development						
65		6728 Other General and Administrative						
66		6790 Provision for Uncollectible Notes Receivable						
67		Totals						

NOT REQUIRED PER GENERAL INSTRUCTIONS.

^ Subaccount of the account marked with a \*.

Company Name: Ronan Telephone Company

**SCHEDULE 18**

Page 1 of 2

Year: 2000

**Total State Expense Matrix**

Line No.	Acct. No. (a)	Description (b)	Salaries and Wages (c)	Benefits (d)	Rents (e)	Other Expenses (f)	Clearances (g)	Total (h)
1	*	6110 Network Support Expense						
2	^	6112 Motor Vehicle Expense						
3	^	6113 Aircraft Expense						
4	^	6114 Special Purpose Vehicles Expense						
5	^	6115 Garage Work Equipment Expense						
6	^	6116 Other Work Equipment Expense						
7	*	6120 General Support Expense						
8	^	6121 Land and Building Expense						
9	^	6122 Furniture and Artworks Expense						
10	^	6123 Office Equipment Expense						
11	^	6124 General Purpose Computers Expense						
12	*	6210 Central Office Switching Expense						
13	^	6211 Analog Electronic Expense						
14	^	6212 Digital Electronic Expense						
15	^	6215 Electro-Mechanical Expense						
16		6220 Operator Systems Expense						
17	*	6230 Central Office Transmission Expense						
18	^	6231 Radio Systems Expense						
19	^	6232 Circuit Equipment Expense						
20	*	6310 Information Origination/Termination Expense						
21	^	6311 Station Apparatus Expense						
22	^	6341 Large Private Branch Exchange Expense						
23	^	6351 Public Telephone Terminal Equipment Exp.						
24	^	6362 Other Terminal Equipment Expense						
25	*	6410 Cable and Wire Facilities Expense						
26	^	6411 Poles Expense						
27	^	6421 Aerial Cable Expense						
28	^	6422 Underground Cable Expense						
29	^	6423 Buried Cable Expense						
30	^	6424 Submarine Cable Expense						
31	^	6425 Deep Sea Cable Expense						
32	^	6426 Intrabuilding Network Cable Expense						
33	^	6431 Aerial Wire Expense						
34		<b>Subtotals</b>						

NOT REQUIRED PER GENERAL INSTRUCTIONS.

^ Subaccount of the account marked with a \*.

Company Name: Ronan Telephone Company

**SCHEDULE 18**

Page 2 of 2

**Year: 2000**

**Total State Expense Matrix**

Line No.	Acct. No. (a)	Description (b)	Salaries and Wages (c)	Benefits (d)	Rents (e)	Other Expenses (f)	Clearances (g)	Total (h)
35	^	6441	Conduit Systems Expense					
36		6510	Other Property Expenses					
37	*	6530	Network Operations Expense					
38	^	6531	Power Expense					
39	^	6532	Network Administration Expense					
40	^	6533	Testing Expense					
41	^	6534	Plant Operations Expense					
42	^	6535	Engineering Expense					
43		6540	Access Expense					
44		6561	Depreciation - Telecomm. Plant in Service					
45		6562	Depreciation-Prop. for Future Telecom. Use					
46		6563	Amortization Expense - Tangible					
47		6564	Amortization Expense - Intangible					
48		6565	Amortization - Other					
49	*	6610	Marketing					
50	^	6611	Product Management					
51	^	6612	Sales					
52	^	6613	Product Advertising					
53		6621	Call Completion Services					
54		6622	Number Services					
55		6623	Customer Services					
56		6711	Executive					
57		6712	Planning					
58		6721	Accounting and Finance					
59		6722	External Relations					
60		6723	Human Relations					
61		6724	Information Management					
62		6725	Legal					
63		6726	Procurement					
64		6727	Research and Development					
65		6728	Other General and Administrative					
66		6790	Provision for Uncollectible Notes Receivable					
67			<b>Totals</b>					

NOT REQUIRED PER GENERAL INSTRUCTIONS.

^ Subaccount of the account marked with a \*.

**Pension Costs**

Year: 2000

1	Plan Name <u>Ronan Telephone Company Pension Plan</u>			
2	Defined Benefit Plan? <u>X</u>	Defined Contribution Plan? _____		
3	Actuarial Cost Method? <u>Modified Aggregate</u>	IRS Code: <u>414J</u>		
4	Annual Contribution by Employer: <u>93,341</u>	Is the Plan Over Funded? <u>No</u>		
5				
	Item	Current Year	Last Year	% Change
6	<b>Change in Benefit Obligation</b>			
7	Benefit obligation at beginning of year	FYE	FYE	
8	Service cost	03/31/00	03/31/99	
9	Interest Cost			
10	Plan participants' contributions			
11	Amendments			
12	Actuarial Gain			
13	Acquisition			
14	Benefits paid			
15	Benefit obligation at end of year			
16	<b>Change in Plan Assets</b>			
17	Fair value of plan assets at beginning of year			
18	Actual return on plan assets			
19	Acquisition			
20	Employer contribution			
21	Plan participants' contributions			
22	Benefits paid			
23	Fair value of plan assets at end of year	913,628	873,300	
24	<b>Funded Status</b>			
25	Unrecognized net actuarial loss			
26	Unrecognized prior service cost			
27	Prepaid (accrued) benefit cost			
28				
29	<b>Weighted-average Assumptions as of Year End</b>			
30	Discount rate			
31	Expected return on plan assets			
32	Rate of compensation increase			
33				
34	<b>Components of Net Periodic Benefit Costs</b>			
35	Service cost			
36	Interest cost			
37	Expected return on plan assets			
38	Amortization of prior service cost			
39	Recognized net actuarial loss			
40	Net periodic benefit cost			
41				
42	<b>Montana Intrastate Costs:</b>			
43	Pension Costs			
44	Pension Costs Capitalized			
45	Accumulated Pension Asset (Liability) at Year End			
46	<b>Number of Company Employees:</b>			
47	Covered by the Plan		26	
48	Not Covered by the Plan		5	
49	Active		24	
50	Retired		2	
51	Deferred Vested Terminated		1	

Final Plan year end amounts  
not yet available

**Pension Costs**

Year: 2000

1	Plan Name <u>Ronan Telephone Company Profit Sharing Plan</u>			
2	Defined Benefit Plan? <u>                    </u>	Defined Contribution Plan? <u>  X  </u>		
3	Actuarial Cost Method? <u>  N/A  </u>	IRS Code: <u>  414i  </u>		
4	Annual Contribution by Employer: <u>  180,000  </u>	Is the Plan Over Funded? <u>  No  </u>		
5	(estimated)			
	Item	Current Year	Last Year	% Change
6	<b>Change in Benefit Obligation</b>			
7	Benefit obligation at beginning of year			
8	Service cost			
9	Interest Cost			
10	Plan participants' contributions			
11	Amendments			
12	Actuarial Gain			
13	Acquisition			
14	Benefits paid			
15	Benefit obligation at end of year			
16	<b>Change in Plan Assets</b>			
17	Fair value of plan assets at beginning of year			
18	Actual return on plan assets			
19	Acquisition			
20	Employer contribution			
21	Plan participants' contributions			
22	Benefits paid			
23	Fair value of plan assets at end of year			
24	<b>Funded Status</b>			
25	Unrecognized net actuarial loss			
26	Unrecognized prior service cost			
27	Prepaid (accrued) benefit cost			
28				
29	<b>Weighted-average Assumptions as of Year End</b>			
30	Discount rate			
31	Expected return on plan assets			
32	Rate of compensation increase			
33				
34	<b>Components of Net Periodic Benefit Costs</b>			
35	Service cost			
36	Interest cost			
37	Expected return on plan assets			
38	Amortization of prior service cost			
39	Recognized net actuarial loss			
40	Net periodic benefit cost			
41				
42	<b>Montana Intrastate Costs:</b>			
43	Pension Costs			
44	Pension Costs Capitalized			
45	Accumulated Pension Asset (Liability) at Year End			
46	<b>Number of Company Employees:</b>			
47	Covered by the Plan		29	
48	Not Covered by the Plan		2	
49	Active		29	
50	Retired		-0-	
51	Deferred Vested Terminated		-0-	



**Other Post Employment Benefits (OPEBS)**

Item	Current Year	Last Year	% Change
<b>1 Regulatory Treatment:</b>			
2 Commission authorized - most recent			
3 Docket number: _____			
4 Order number: _____			
5 Amount recovered through rates			
<b>6 Weighted-average Assumptions as of Year End</b>			
7 Discount rate			
8 Expected return on plan assets			
9 Medical Cost Inflation Rate			
10 Actuarial Cost Method			
11 Rate of compensation increase			
<b>12 List each method used to fund OPEBs (ie: VEBA, 401(h)) and if tax advantaged:</b>			
13			
14			
<b>15 Describe any Changes to the Benefit Plan:</b>			
16			
<b>17 TOTAL COMPANY</b>			
<b>18 Change in Benefit Obligation</b>			
19 Benefit obligation at beginning of year			
20 Service cost			
21 Interest Cost			
22 Plan participants' contributions			
23 Amendments			
24 Actuarial Gain			
25 Acquisition			
26 Benefits paid			
27 Benefit obligation at end of year			
<b>28 Change in Plan Assets</b>			
29 Fair value of plan assets at beginning of year			
30 Actual return on plan assets			
31 Acquisition			
32 Employer contribution			
33 Plan participants' contributions			
34 Benefits paid			
35 Fair value of plan assets at end of year			
<b>36 Funded Status</b>			
37 Unrecognized net actuarial loss			
38 Unrecognized prior service cost			
39 Prepaid (accrued) benefit cost			
<b>40 Components of Net Periodic Benefit Costs</b>			
41 Service cost			
42 Interest cost			
43 Expected return on plan assets			
44 Amortization of prior service cost			
45 Recognized net actuarial loss			
46 Net periodic benefit cost			
<b>47 Accumulated Post Retirement Benefit Obligation</b>			
48 Amount Funded through VEBA			
49 Amount Funded through 401(h)			
50 Amount Funded through Other _____			
51 TOTAL			
52 Amount that was tax deductible - VEBA			
53 Amount that was tax deductible - 401(h)			
54 Amount that was tax deductible - Other _____			
55 TOTAL			

NOT APPLICABLE - RONAN TELEPHONE COMPANY HAS NO POST EMPLOYMENT BENEFITS.

**Other Post Employment Benefits (OPEBS) Continued**

	Item	Current Year	Last Year	% Change
1	<b>Number of Company Employees:</b>			
2	Covered by the Plan			
3	Not Covered by the Plan			
4	Active			
5	Retired			
6	Spouses/Dependants covered by the Plan			
7	<b>Montana</b>			
8	<b>Change in Benefit Obligation</b>			
9	Benefit obligation at beginning of year			
10	Service cost			
11	Interest Cost			
12	Plan participants' contributions			
13	Amendments			
14	Actuarial Gain			
15	Acquisition			
16	Benefits paid			
17	Benefit obligation at end of year			
18	<b>Change in Plan Assets</b>			
19	Fair value of plan assets at beginning of year			
20	Actual return on plan assets			
21	Acquisition			
22	Employer contribution			
23	Plan participants' contributions			
24	Benefits paid			
25	Fair value of plan assets at end of year			
26	<b>Funded Status</b>			
27	Unrecognized net actuarial loss			
28	Unrecognized prior service cost			
29	Prepaid (accrued) benefit cost			
30	<b>Components of Net Periodic Benefit Costs</b>			
31	Service cost			
32	Interest cost			
33	Expected return on plan assets			
34	Amortization of prior service cost			
35	Recognized net actuarial loss			
36	Net periodic benefit cost			
37	<b>Accumulated Post Retirement Benefit Obligation</b>			
38	Amount Funded through VEBA			
39	Amount Funded through 401(h)			
40	Amount Funded through other _____			
41	TOTAL			
42	Amount that was tax deductible - VEBA			
43	Amount that was tax deductible - 401(h)			
44	Amount that was tax deductible - Other			
45	TOTAL			
46	<b>Montana Intrastate Costs:</b>			
47	Pension Costs			
48	Pension Costs Capitalized			
49	Accumulated Pension Asset (Liability) at Year End			
50	<b>Number of Montana Employees:</b>			
51	Covered by the Plan			
52	Not Covered by the Plan			
53	Active			
54	Retired			
55	Spouses/Dependants covered by the Plan			

NOT APPLICABLE - RONAN TELEPHONE  
COMPANY HAS NO POST EMPLOYMENT  
BENEFITS.

## Payments for Services to Persons Other Than Employees

Year: 2000

Line No.	Name of Recipient (a)	Nature of Service (b)	Total Company Cost (c)	Total State Cost (d)	Intrastate Cost (e)
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40					
41					
42					
43					
44					
45					
46					
47					
48					
49	Total				

NOT REQUIRED PER GENERAL INSTRUCTIONS

## Subscriber Line Usage Data

Year: 2000

Line No.	Description (a)	This Year (b)	% of Total (c)	Last Year (d)	% of Total (e)
1	Toll Usage:				
2	Interstate, InterLATA	11,714,138	11.7%	12,106,420	14.7%
3	Interstate, IntraLATA	-0-	-0-	-0-	-0-
4	<b>Total Interstate Usage</b>	11,714,138	11.7%	12,106,420	14.7%
5	Intrastate, InterLATA	(1)		(1)	
6	Intrastate, IntraLATA	(1)		(1)	
7	<b>Total Intrastate Usage</b>	19,284,663	19.2%	16,225,869	19.6%
8	<b>Total Toll Usage</b>	30,998,801	30.9%	28,332,289	34.3%
9	Centrex	-0-	-0-	-0-	-0-
10	Local (2)	69,450,000	69.1%	(2) 54,300,000	65.7%
11	<b>Total Minutes</b>	100,448,801	100%	82,632,289	100%

(1) Intrastate long distance usage will be reported on a total state basis in order to avoid inaccuracies.

(2) Estimated

## Cental Office and Access Line Statistics

Year: 2000

Line No.	Wire Center (a)	Type of Office (b)	Residential (c)	ISDN (d)	ADSL (e)	Lifeline Customers (f)	Residential LMS Customers (g)	Single Line Business (h)	Multi-Line Business (i)	Customer Owned Coin (j)	Company Owned Coin (k)	Other (l)	% of Lines w/ T. Tone (m)	Total Access Lines (n)
1	Pablo (675)	Digital	875	0	0	65	0	76	192	5	12	0	100%	1,225
2	Ronan (676)	Digital	1,798	0	0	101	0	237	573	12	32	0	100%	2,753
3														
4														
5														
6														
7														
8														
9														
10														
11														
12														
13														
14														
15														
16														
17														
18														
19														
20														
21														
22														
23														
24														
25														
26														
27														
28														
29														
30														
31														
32														
33	<b>Total</b>		2,673	0	0	166	0	313	765	17	44	0	100%	3,812

NOTE: Additional blank schedules are being provided for your convenience.

## Central Office and Switch Information

Line No.	Wire Center (a)	Office Configuration (Host, Remote, Stand alone) (b)	Type of Switch (c)	Switch Vendor/ Manufacturer (d)	Switch Model No. (e)	Switch Line Capacity (f)	Year Deployed (g)
1	676 Ronan	Host/Tandem	Digital	Siemens	DCO-E	3,780	1991
2	675 Pablo	Remote	Digital	(1)Siemens	DCO-RLS	1,800	1995
3	676 Round Butte	Remote	Digital	(1)Siemens	DCO-RLG	90	1993
4	East						
5	676 Round Butte	Remote	Digital	(1)Siemens	DCO-RLG	180	1993
6	West						
7	676/675						
8	North Crow	Remote	Digital	(1)Siemens	DCO-RLS	360	1994
9	676 Timberlane	Remote	Digital	(1)Siemens	DCO-RLS	270	1995
10	675/676						
11	Pablo West	Remote	Digital	(1)Siemens	DCO-RLG	180	1996
12							
13							
14							
15							
16							
17							
18	(1) Host switch for these 6 remote switches is the wire center on Line 1.						
19							
20							
21							
22							
23							
24							
25							
26							
27							
28							
29							
30							
31							
32							
33							
34							
35							
36							
37							
38							
39							
40							
41							
42							
43							
44							
45							
46							
47							
48							

NOTE: Additional blank schedules are being provided for your convenience.

PAGE 28

## Construction Budget - Montana

Year: 2000

Line No.	Description (a)	(b)
1	<b>Central Office Assets:</b>	
2	Digital Central Office equipment	422,000
3	Fiber Optic Termination equipment	305,000
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27	Total Switching and Central Office Projects over \$500,000	727,000
28	Miscellaneous Central Office Projects not over \$500,000	-0-
29	<b>Total Central Office Budget (Total of Line 27 &amp; Line 28)</b>	727,000
30	<b>Other Projects over \$500,000:</b>	
31		
32		
33		
34		
35		
36		
37		
38		
39		
40		
41	Total Other Projects over \$500,000	-0-
42	Miscellaneous projects not over \$500,000	250,000
43	<b>Total Construction Budget (Total of Lines 29, 41 &amp; 42)</b>	977,000

## Montana Employee Counts

Year: 2000

Line No.	Category (a)	Beginning of Year (b)	End of Year (c)
1	General Management	3	3
2	Finance & Accounting	2	2
3	Central Office	2	2
4	Data Processing	4	3
5	Outside-Plant-General	3	4
6	Outside-Plant-Splicers	1	1
7	Outside-Plant-Construction Technicians	4	2
8	Commercial Representatives	10	14
9	Sales	2	1
10	Engineering-Drafting	2	2
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			
26			
27			
28			
29			
30			
31			
32			
33			
34			
35			
36			
37			
38			
39			
40			
41			
42			
43	Totals (Sum of Lines 1 through 42)	33	34



## Compensation of Top 10 Montana Based Employees

Year: 2000

Line No.	Name/Title (a)	Base Salary (b)	Bonuses (c)	Other Compensation (d)	Total Compensation (e)	Total Compensation Last Year (f)	% Increase Total Compensation (g)
1							
2							
3							
4							
5			PROPRIETARY INFORMATION				
6							
7							
8							
9							
10							
11	Totals (Sum L.1 to L.10)						

## Compensation of Top 5 Corporate Employees - SEC Information

Line No.	Name/Title (a)	Base Salary (b)	Bonuses (c)	Other Compensation (d)	Total Compensation (e)	Total Compensation Last Year (f)	% Increase Total Compensation (g)
1							
2							
3							
4							
5	This schedule is not applicable to Ronan Telephone Company. Ronan Telephone Company does not file information with the SEC. All wage information requested on this schedule can be found on schedule 27.						
6	Totals (Sum L.1 to L.5)						

## Montana Composite Statistics

Year: 2000

Line No.	Account No.	Description (a)	Amount (b)
1		<b>Plant (Intrastate Only) (000 Omitted)</b>	
2	2001	Plant in Service	
3	2003 - 2004	Construction Work in Progress	
4	2005	Plant Acquisition Adjustments	
5	2002	Plant Held for Future Use	
6	1220	Materials & Supplies	
7		(Less):	
8	3100 - 3400	Depreciation & Amortization Reserves	
9	4360.2	Contributions in Aid of Construction	
10		<b>NET BOOK COSTS</b>	Final
11		<b>Revenues &amp; Expenses (Intrastate Only) (000 Omitted)</b>	Information
12	5000 - 5300	Operating Revenues	
13	6560	Depreciation & Amortization Expenses	Not
14		Federal & State Income Taxes	
15		Other Taxes	Yet
16		Other Operating Expenses	
17		TOTAL Operating Expenses	Available
18		Net Operating Income	
19		Other Income	
20		Other Deductions	
21		<b>NET INCOME</b>	
22		<b>Access Lines in Service (Intrastate Only)</b>	
23		Residential Access Lines	2,673
24		Business Access Lines	881
25		PBX Access Lines	197
26		Other Access Lines	61
27		<b>Total Number of Access Lines</b>	3,812
28		<b>Average Number of Calls Per Access Line</b>	
29		Local Calls	1,400
30		Toll Calls (Intra- or Interstate)	600
31		<b>Total Number of Calls Per Access Line (Total of Line 29 &amp; Line 30)</b>	2,000
32		<b>Other Statistics (Intrastate Only)</b>	
33		Average Residential Monthly Bill	57.73
34		Gross Plant Investment per Access Line	1,946

## Depreciation - Montana Intrastate Regulated

Year: 2000

Line No.	Acct No. (a)	Description (b)	Composite Rate % (c)	Total Expense \$ (d)
1	2112	Motor Vehicles	Final Information  Not Yet Available	
2	2114	Special Purpose Vehicles		
3	2115	Garage Work Equipment		
4	2116	Other work Equipment		
5	2121	Buildings		
6	2122	Furniture		
7	2123.1	Office Support Equipment		
8	2123.2	Company Communications Equipment		
9	2124	General Purpose Computers		
10	2211	Analog Electronic Switching Equipment		
11	2212	Digital Electronic Switching Equipment		
12	2215	Step By Step Switching Equipment		
13	2215	Crossbar Switching Equipment		
14	2220	Operator System		
15	2231	Radio Systems		
16	2232	Circuit DDS		
17	2232	Circuit Digital		
18	2232	Circuit Analog		
19	2351	Public Telephone Terminating Equipment		
20	2362	Other Terminal Equipment		
21	2411	Poles		
22	2421	Aerial Cable Metallic		
23	2421	Aerial Cable Nonmetallic		
24	2422	Underground Cable Metallic		
25	2422	Underground Cable Nonmetallic		
26	2423	Buried Cable Metallic		
27	2423	Buried Cable Nonmetallic		
28	2424	Submarine Cable Metallic		
29	2424	Submarine Cable Nonmetallic		
30	2426	Intrabuilding Network Cable Metallic		
31	2426	Intrabuilding Network Cable Nonmetallic		
32	2431	Aerial Wire		
33	2441	Conduit Systems		
34				
35		COMPOSITE TOTAL		
36				
37	Have these rates been approved by the Commission? _____ YES _____ NO			
38				
39	If yes: _____ Docket Number _____ Order Number			
40				

\*\*\*Specific rates were not addressed in the above referenced Docket; however, revenue, expenses, rate base, etc. were all reviewed and approved in the proceeding.

## Montana Regulatory Capital Structure &amp; Costs

Year: 2000

Line No.	Description (a)	% Cap. Str. (b)	% Cost Rate (c)	Weighted Cost (d)
<b>Commission Accepted - Most Recent</b>				
1	Docket Number <u>80.4.8</u>			
2	Order Number <u>4715b</u>			
3				
4	Common Equity	46.37%	12.6%	5.84%
5	Preferred Stock	-0-	-0-	-0-
6	Long Term Debt	53.63%	9.08%	4.83%
7	Other	-0-	-0-	-0-
8	<b>Total</b>	100%		10.67%
<b>Actual at Year End</b>				
10		100%	12.6%	12.6%
11				
12	Common Equity			
13	Preferred Stock			
14	Long Term Debt	-0-	-0-	-0-
15	Other	-0-	-0-	-0-
16	<b>Total</b>	100%		12.6%

## Network Access - Charges and Revenues

Year: 2000

Line No.	Description (a)	Access Charges Paid (b)	Access Revenues Received (c)
1	Montana - Total State	-0-	Final Information
2			
3	Montana - Intrastate	-0-	
4			Not Yet Available
5	Montana - Intrastate Regulated	-0-	
6			
7			
8			
9			
10			
11			
12			
13			

Year: 2000

**Affiliate Transactions - Products & Services Provided to Utility**

Line No.	Affiliate Name (a)	Products & Services (b)	Method to Determine Price (c)	Charges to Utility (d)	% Total Affil. Revenues (e)	Charges to MT Utility (f)
1	RTC Answering, LLC	Directory Assistance & Dispatch	Comparison to Non-Affiliated Vendor	22,465	2.5%	22,465
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30	<b>TOTAL</b>			22,465	2.5%	22,465

Company Name: Ronan Telephone Company

**SCHEDULE 34**

**Affiliate Transactions - Products & Services Provided by Utility** Year: 2000

Line No.	Affiliate Name (a)	Products & Services (b)	Method to Determine Price (c)	Charges to Affiliate (d)	% Total Affil. Revenues (e)	Charges to MT Utility (f)
1	RTC Answering, LLC	telephone service	tariffed rates	14,315	1.6%	-0-
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30	<b>TOTAL</b>			14,315	1.6%	-0-

## Montana Intrastate Regulated Earned Rate of Return

Year: 2000

Line No.	Description Rate Base (a)	This Year (b)	Last Year (c)	Percent Change (d)
1				
2	2001 Plant in Service		7,833,052	
3	2002 Prop. Held for Future Telecommunications Use		0	
4	3100-3200 (Less) Accumulated Depreciation		(4,017,917)	
5	<b>Plant in Service</b>		3,815,135	
6				
7	<b>Additions</b>			
8	1220 Materials & Supplies		15,483	
9	1280 Prepayments		0	
10	Other Additions (1) Cash Working Capital		208,885	
11	<b>TOTAL Additions</b>	Final	224,368	
12				
13	<b>Deductions</b>	Information		
14	4100 Current Deferred Operating Income Taxes	Not	(30,415)	
15	4320 Unamortized Operating Investment Tax Credits	Yet	0	
16	4340 Noncurrent Deferred Operating Income Taxes	Available	767,878	
17	Customer Advances for Construction		0	
18	Other Deductions		0	
19	<b>TOTAL Deductions</b>		737,463	
20	<b>TOTAL Rate Base</b>		3,302,040	
21				
22	<b>Net Earnings</b>			
23			507,072	
24	<b>Rate of Return on Average Rate Base</b>		15.4%	
25				
26	<b>Rate of Return on Average Equity</b>		10.6%	
27				
28	Major Normalizing Adjustments & Commission			
29	<u>Ratemaking adjustments to Utility Operations</u>			
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
40				
41				
42				
43	<b>Adjusted Rate of Return on Average Rate Base</b>		15.4%	
44				
45	<b>Adjusted Rate of Return on Average Equity</b>		10.6%	

(1) As allowed in Commission Order No. 4715b, Docket No. 80.4.8.



## Other Taxes Paid

Year: 2000

Line No.	Description (a)	Last Year (b)	This Year (c)
1	Montana Telephone Company License Tax	9,883	-0-
2	Montana Public Service Commission Tax	3,924	8,003
3	Montana Consumer Counsel Tax	1,569	2,949
4	911 Emergency Telephone Fee	21,237	22,603
5	Montana Telecommunications Access Service (TDD)	4,212	4,477
6	Montana Corporate License Tax (Estimate)	49,899	50,000
7	Personal Property Tax	40,873	32,892
8	Real Property Tax	6,966	5,805
9			
10			
11			
12	<b>Total</b>	138,563	126,729

Company Name: Ronan Telephone Company

SCHEDULE 37

## Universal Service Funds Received

Year: 2000

Line No.	Description (a)	Last Year (b)	This Year (c)
13	Funds received from Montana Sources	-0-	-0-
14	Funds received from Federal Sources	303,406	419,670
15			
16			
17			
18			
19			
20			
21			
22			
23			
24	<b>Total</b>	303,406	419,670